

Commodity Shelf Newsletter

July 2013

New State Contracted Warehouse

DESE – School Food Services utilizes a contracted vendor to provide the warehousing and the delivery of the USDA Foods for Missouri Local Education Agencies (LEA). School Year (SY) 2012 – 2013 was the final year of a 5 year (1 year with 4 one year renewals) contract with Food Distribution Associates. After soliciting a Request For Proposal, DESE received 3 completed bids from Food Distribution Associates, Lanter Distributing, and Frigid Logistics. After the evaluation process, Lanter Distributing was announced as the contracted vendor on May 22, 2013.

Lanter will be providing all services previously provided by Food Distribution Associates beginning July 1, 2013. Lanter will be utilizing warehouse facilities in the Hunt-Midwest Subtropolis complex located in the Kansas City area.

There are a few updates DESE would like to highlight with the new contract:

1. Delivery times are 7:00 a.m. – 3:00 p.m. (previously 7:00 a.m. – 4:00 p.m.)
2. LEAs will receive a phone call 4 days prior to a future delivery (previously a fax)
3. A phone call within 2 days of the delivery will confirm a 2 hour time frame for delivery
4. If a delivery is unable to be made due to sick driver, bad weather, equipment malfunctions, etc. Lanter will contact the LEA immediately and setup a redelivery within 24 hours.
5. Complaint Forms will be filed by a Lanter Customer Service Representative and shared with DESE should any issues arise.
6. Lanter will utilize multi-temperature controlled equipment to ensure USDA Foods are transported at the proper temperature.

In order to verify the correct delivery locations and contacts are on file with Lanter, DESE has created the [LEA Contact & Delivery](#) form on the [DESE – SFS, Commodities](#) website. Please complete the form by **July 15, 2013** and



return to DonatedFoods@dese.mo.gov in the same fashion as an Open Order.

Deliveries for SY 13-14 will again be once a month, August through April (9 deliveries). Lanter plans to breakdown the State of Missouri into six (6) "zones" for deliveries. The exact schedule of delivery dates for the first delivery in August is unknown until DESE submits quantities to Lanter based on LEAs orders. DESE and Lanter are aware of the complications the uncertainty in a delivery time frame can cause with planning menus and ordering commercial product. As soon as more information is available it will be communicated to LEAs to assist in planning for the beginning of the school year.

The current delivery price per case is \$1.85. Non-public LEAs will receive an invoice from Lanter for the delivery of each case of USDA Food to be paid/submitted back to Lanter. Delivery of USDA Foods to public LEAs is paid for by DESE – SFS; therefore public LEAs will not receive a bill for the **delivery** of USDA Foods. However; all processed USDA Foods have a "fee" associated with the production of each case which is invoiced by each individual processor and is paid/submitted back to the respective processor.

A Bill of Lading accompanies all deliveries by Lanter and is required to be signed by the receiving party. Verify the correct items are being delivered (some item numbers are very similar) and confirm quantities match the Bill of Lading for each item. **MARK ANY DISCREPANCIES ON THE BILL OF LADING BEFORE SIGNING!!** DESE – SFS tracks all shorted items and validates all shortages are resolved by the end of the school year. If shortages are not marked on the Bill of Lading, DESE – SFS has no documentation for evidence an item was shorted.

Lanter's contact information is:

8250 NE Underground Drive
Building 32ABC, Pillar 140
Kansas City, MO 64161
Phone: 816-459-4823
Fax: 816-459-4871

Email: LanterMoSchools@lanterdist.com

The Department of Elementary and Secondary Education does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities. Inquiries related to Department programs and to the location of services, activities, and facilities that are accessible by persons with disabilities may be directed to the Jefferson State Office Building, Civil Rights Compliance (Title VI/Title IX/504/ADA/Age Act), 205 Jefferson Street, Jefferson City, MO 65102-0480; telephone number 573-526-4757 or Relay Missouri 800-735-2966.

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age or disability. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TTY). USDA is an equal opportunity provider and employer.

Open Order SY 13-14

Open Order items are USDA Food items which DESE – SFS has ordered from USDA to offer to **ALL** LEAs. The Open Order items are purchased with entitlement (in essence making them “free” to LEAs b/c no out of pocket money is necessary to purchase the items). Public LEAs receive Open Order items for “free” and Non-Public LEAs only pay a delivery fee of \$1.85 per case to the contracted warehouse (Lanter) for the delivery of the case.

In order to receive Open Order items, LEAs must complete the monthly Open Order form. The Open Order form is posted by the 1st of each month prior to the delivery period and is due by the 15th. Example: Open Order items submitted by July 15 will be delivered in August. The [July 2013 Open Order Form](#) for August 2013 delivery is now available on the [DESE – SFS Commodities](#) website. A document with ALL of the [Open Order Items – anticipated for SY 13-14](#) has also been posted which outlines the schedule of all the USDA Food items that are planned to be available to MO LEAs.

Also remember:

1. Include your Agreement Number with **HYPHEN** on every form (Ex. 999-555)
2. Open Order Forms must be **E-MAILED** to donatedfoods@dese.mo.gov. Save and attach the file to the E-Mail, **DO NOT SCAN**.
 - Do not click the SUBMIT button if there is one on the Order Form. The submit button is not hyperlinked.
 - Include the LEA's 6-digit Agreement Number in the subject line of the E-Mail
3. Order Forms are due on the 15th of each month, unless the 15th falls on a weekend, then Order Forms are due the next business day.

All items on the Open Order are **EXPECTED** to be in the warehouse and available for delivery; however if circumstances arise that delay the arrival of the USDA Food, **ALL** orders for the delayed commodity will either be **DELAYED** until the next month's distribution or **DELETED**. The change in delivery will be communicated in the bottom left footer of the monthly “**Open Order Adjustments**”, which is typically posted by the end of month when orders are submitted for the next month's deliveries.

School Nutrition Association



We are very fortunate that the SNA Annual National Conference (ANC) will be coming to Kansas City, MO July 14-17, 2013. If you are looking for the ultimate event for School Nutrition professionals; this is it! Take advantage of this rare opportunity to join thousands of SNA members close to home this July. An added bonus will be to support a local MO FSD, Leah Schmidt (FSD for Hickman Mills) as she becomes the President for the National SNA this year!!

Inventory and Reconciliation for SY 12 -13

DESE – SFS conducted our annual physical inventory with the contracted warehouse (Food Distribution Associates, FDA) in May 2013. The process revealed about 1,200 backordered cases for nearly 200 LEAs which needed to be reconciled. DESE – SFS spent countless hours attempting to send LEAs the items they were shorted, but in the event the exact item was not available, a comparable item with a greater value may have been substituted. LEAs with shortages received an Email from DESE – SFS in early July documenting the shorted product and the make-up products to be received with their August 2013 delivery. All shortages **not** resolved during the school year should have been corrected during our reconciliation process. If your LEA was shorted an item during SY 12-13 but you did not receive a make-up Email from DESE – SFS, please contact [Andy Dudenhoeffer](#), 573-751-7253 so we can investigate. **Please make sure all SY 12-13 invoices for processors have been paid.**



Non-Processed USDA Foods via the Packet

DESE – SFS offered a variety of Non-Processed USDA Foods for SY 13-14 via the USDA Foods Packet which was submitted to DESE – SFS in March 2013. The Non-Processed USDA Foods are purchased by USDA utilizing entitlement (same method as the Open Order Items), essentially making them “free” because there are no additional fees associated with the Non-Processed items except for a delivery fee for non-public schools.

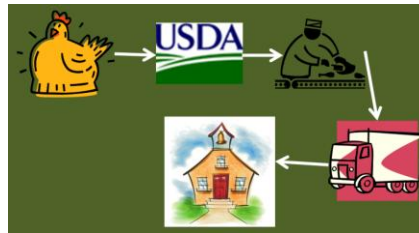
LEAs electing to receive Non-Processed USDA Foods via the Packet can reference the document titled “[Non-Processed USDA Foods via the Packet](#)” for a schedule of the planned delivery times/quantities of each item. The USDA Food Value will be updated each month for LEAs who contract with Food Service Management Companies (FSMC) to verify the appropriate credits have been given to the LEA. Please note there are three (3) pages for each LEA.

No further action is required to receive the Non-Processed items because they were elected via the Packet. The actual quantities of each item to be delivered each month will be listed monthly on the “**Open Order Adjustments**” document (even though they aren't ordered via the Open Order...sorry if our terms get confusing☺).



Processed USDA Food for SY 13-14

LEA's had the opportunity to divert raw USDA Food to further processors for SY 13-14 via the annual USDA Foods Packet submitted to DESE – SFS in March 2013. When making selections on the Packet, there were multiple avenues for LEAs to receive the processed product they selected.



processors contact LEAs to schedule convenient delivery periods throughout the school year. If you have questions regarding any FFS items, please contact the appropriate representative listed in the [Approved Processors for SY 13-14 Contact Information](#) document posted on the [DESE – SFS Commodities](#) website.

For **NOI** and **Rebate** processed end products, please work with your commercial sales representative to verify the products your LEA intended to purchase are available. The end products should be included in the competitive bid solicited by the LEA to determine pricing.



If your LEA elected NOI as the discount method, please verify with your commercial distributor that they are approved to issue NOI discounts. The commercial distributor **MUST** be assigned to your lb balance on www.ProcessorLink.com or www.K12Foodservice.com in order for the discounts to be issued.

If your LEA elected Rebates as the discount method, the amount of the Rebates per case can be found on the [Rebate Forms](#) posted on the [DESE – SFS Commodities](#) website. Rebates will be issued until all lbs are depleted from the LEAs lb balance. **There is no longer First Come, First Served Rebates for MO LEAs.** DESE – SFS only diverted the necessary lbs to fulfill the requests of LEAs electing Rebates via the Packet; therefore, if your LEA **did not** divert any lbs to a Rebate processor, you will **not** be eligible to receive Rebates in SY 13-14.

LEAs can determine if USDA Foods were NOI or Rebate by referencing the TOTALS sheet from the Packet. Look at the column titled “Estimated Fee-For-Service (Out of Pocket) costs”. If there is a dollar value in the cell (\$1,140 in the example below), then the item is FFS and will be delivered via the State contracted warehouse. If the cell says “Bid Price via Dist”, then the item is either NOI or Rebate and will need to be forecasted/purchased via your commercial distributor.

ALLOCATED LBS	PROCESSOR/USDA ITEM	ENTITLEMENT TOTALS	Estimated Fee-For-Service (Out of Pocket) Costs
570.00		\$1,026.17	\$1,140.00
624.00		\$1,123.39	Bid Price via Dist

Additional information regarding NOI and Rebates can be found on the [DESE – SFS Commodities](#) website in the document [Net-Off-Invoice Information](#)

National School Lunch Week Oct 14-18, 2013

“School Lunch Across the USA” is the theme for the School Nutrition Association’s National School Lunch Week



which will be celebrated October 14-18, 2013. It’s not too early to begin making plans and promoting NSLW with your students to reap a successful NSLW for your LEA in October. Visit the [SNA – NSLW website](#) for ideas, presentations, website content, press releases, merchandise and more to prepare for NSLW.

1. **Fee-For-Service** (FFS) – processed end products delivered via the State of Missouri’s contracted warehouse, Lanter Distributing.

FFS

- a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor, the processor produces the end product selected by the LEA, delivers the finished end product to the state warehouse, and the end product is delivered to the LEA on the monthly commodity delivery. **LEA is only invoiced the Fee-For-Service** (which is a reduced price because the processor does not invoice for the Value of the USDA Food included in the end product). LEA is invoiced and submits payment directly to the processor.

2. **Net-Off-Invoice** (NOI) – commercially purchased processed end products discounted for the Value of the USDA Food.

NOI

- a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor. LEA arranges for the purchase of approved processed end product via their commercial distributor. Commercial distributor bids processed end product full price, and sells the product to the LEA at full price. **LEA receives a discount off the commercial invoice for the Value of the USDA Food** until all lbs with the processor are depleted. Lb balances for each processor can be traced on either www.ProcessorLink.com or www.K12Foodservice.com depending on the tracking system selected by the processor.

3. **Rebates** – commercially purchased processed end products rebated for the Value of the USDA Food.

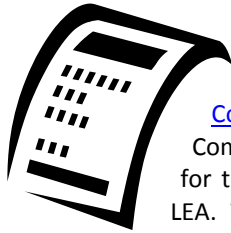
REBATES

- a. DESE – SFS arranges for the raw USDA Food to be diverted to the processor. LEA arranges for the purchase of approved processed end product via their commercial distributor. Commercial distributor bids processed end product full price, and sells the product to the LEA at full price. LEA pays the commercial distributor full bid price for the end products. **LEA submits a Rebate Form to the processor. Processor then issues a Rebate check back to the LEA for the Value of USDA Food** in the processed end product until all lbs with the processor are depleted. Lb balances for each processor can be traced on either www.ProcessorLink.com or www.K12Foodservice.com depending on the tracking system selected by the processor.

All FFS items will be delivered to the LEA with all other USDA Foods during the monthly commodity deliveries. Many FFS

Value of USDA Food Letters SY 12-13

Each Local Education Agency (LEA) will have a “**Value of USDA Foods Distributed Letter**” for SY 12-13 once all of the data for the school year is reported. The official end of the school year was June 30, 2013, and processors have until the end of the following month (July 31, 2013) to file their reports to DESE – SFS. Once all reports are received and data is compiled, the letters will be merged and available on the [DESE – SFS Commodities](#) website. The Value of Commodities Distributed Letter will be needed for the independent audits conducted for each LEA. The document contains the total amount of USDA Foods received (not the processing fee paid) for the categories listed. DESE – SFS calculates the values by multiplying the number of cases each LEA received during SY 12-13 by the [2012-2013 Unit Value of Donated Foods](#). The Rebates are determined by summing the Rebate amounts sent to each LEA as reported by each Rebate processor. Contact [Matthew Essner](#), 573-522-1974 with any questions.



Entitlement Letters SY 13-14

Individual entitlement letters for SY 13-14 will be available on the [DESE – SFS Commodities](#) website once the per meal rate is published by USDA in the Federal Register. For SY 12-13 the per meal rate was published on July 23, 2012. The entitlement amount contained in the letter will be an **ESTIMATED** amount of USDA Foods for each LEA based upon the previous school year’s Total Lunches Served (TLS) and the current SY commodity per meal rate.

LEAs utilize their entitlement for USDA Foods by submitting monthly Open Orders and completing the annual USDA Foods Packet. USDA Foods are then ordered from USDA by DESE – SFS using the State of Missouri’s entitlement, which is the sum of all participating LEAs entitlements. At this time LEAs individual entitlement usage is not tracked throughout the school year so LEAs are encouraged to order as many items from the Open Order which can be used in a timely manner to ensure the LEA receives its “fair share” of entitlement.



Nutrition Standards for SY 14-15

USDA recently released the “[Smart Snacks in School](#)” nutrition standards which will go into effect for the 2014-2015 school year. The final rule titled “[National School Lunch Program and Breakfast Program: Nutrition Standards for All of Foods Sold in School as Required by the Healthy, Hunger-Free Kids Act of 2010](#)” was published in the Federal Register on Friday, June 28, 2013. Additional information will be disseminated by DESE – SFS as the implementation date of July 1, 2014 approaches.



DESE Trainings

The DESE – SFS Supervisors are hosting Summer Workshops throughout the State to assist food service staff members in operating efficient, up-to-date child nutrition programs that meet current regulations. The day long trainings will be held at:

- Jefferson City – June 25th
- Kirksville – June 27th
- Cape Girardeau – July 9th
- St. Louis – July 10th
- Joplin – July 23rd
- Springfield – July 24th
- Kansas City – July 30th & July 31st



More information can be found on the [Summer Workshop Brochure](#).

New Food Service Directors Guide

There is a new “[Guide for new Food Service Directors](#)” posted to the [DESE – SFS Commodities](#) website to assist new Food Service Directors in understanding the USDA Donated Food Distribution Program here in MO.

Quotes for the Month

“The vision must be followed by the venture. It is not enough to stare up the steps – we must step up the stairs” – Vance Harvner

“It’s the final moments that define a journey and the first ones that make it possible.” – Mike Dooley

“Don’t ask what the world needs. Ask what makes you come alive and go do it. Because what the world needs is people who have come alive.” – Howard Thurman

“There is only one way to happiness and that is to cease worrying about things which are beyond the power of our will.” – Epictetus



“You don’t get paid for the hour. You get paid for the value you bring to the hour.” – Jim Rohn



DESE – SFS, USDA Foods Program Contacts		
Matthew Essner	Assistant Director	573-522-1974
Andy Dudenhoeffer	Processing Specialist	573-751-7253
DeeDee Kilson	Administrative Assistant	573-751-1706
Amy Halderman	Administrative Assistant	573-751-2646
Monthly Orders: dontatedfoods@desemo.gov		573-751-2646